

MAY 27 1980 - 3 42 PM

INTERSTATE COMMERCE COMMISSION
April

THIS SUBORDINATION CONSENT, dated as of April
15, 19 80, by UNITED STATES RAILWAY ASSOCIATION (USRA)
under a certain Mortgage (the Mortgage) dated March 15, 1976
made by Delaware and Hudson Railway Company (the Railway);

WITNESSETH:

WHEREAS, the Railway made, executed, and delivered to
USRA its Mortgage, dated March 15, 1976, which said Mortgage
was filed with the Interstate Commerce Commission under Section
20c of the Interstate Commerce Act on March 19, 1976, Record-
ation Number 8241; and

WHEREAS, said Mortgage constitutes a lien on the
properties therein described including railroad equipment then
owned or thereafter acquired by the Railway; and

WHEREAS, the Railway has acquired and now owns the
railroad equipment described in Schedule A, attached hereto and
made a part hereof, which said railroad equipment has become
subject to the lien of the Mortgage;

WHEREAS, The Delaware and Hudson Railroad Corporation,
predecessor of the Railway, entered into a certain Conditional
Sale Agreement dated as of May 15, 1968 with Bethlehem Steel
Corporation, as Manufacturer (all of said Manufacturer's right,
title, and interest thereunder having been assigned to First
National City Bank, now Citibank, N.A., by Agreement and Assign-
ment dated as of May 15, 1968), which Conditional Sale Agreement
contains a requirement that the Railway convey equipment to

replace equipment thereunder which has been destroyed;

WHEREAS, certain equipment covered by the said Conditional Sale Agreement has been destroyed and pursuant to the second paragraph of Section 3.12 of said Mortgage, the Railway has requested subordination of the lien of the Mortgage to the lien of said Conditional Sale Agreement in order to permit the Railway to substitute said railroad equipment;

NOW THEREFORE, in consideration of the premises, USRA hereby subordinates the lien of the Mortgage on the railroad equipment described in Schedule A, attached hereto and made a part hereof, to the rights of Citibank, N.A., formerly First National City Bank, as assignee by the terms of the Agreement and Assignment dated as of May 15, 1968 of Bethlehem Steel Corporation under the Conditional Sale Agreement dated as of May 15, 1968.

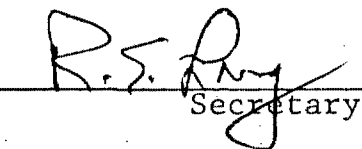
USRA shall not be responsible for the recitals herein contained, all of which are made by Railway as the other signatory hereto.

ATTEST:



Assistant Secretary

ATTEST:


Secretary

UNITED STATES RAILWAY ASSOCIATION

By 

DELAWARE AND HUDSON RAILWAY COMPANY

By 

Vice President

DISTRICT OF COLUMBIA) ss.:
)
)

On this 12th day of May 1980,
before me personally came Donald C. Cole,
to me known, who, being by me duly sworn did depose and
say that he resides at 6009 First Street, North
Arlington, Va. 22203,
that he is a President and Chief Executive Officer
of United States Railway Association, a corporation
described in and which executed the foregoing instrument,
that he knows the seal of said corporation; that the seal
affixed to said instrument is said corporate seal; that
it was so affixed by the Assistant Secretary
of said corporation and that he signed his name thereto
by like order.

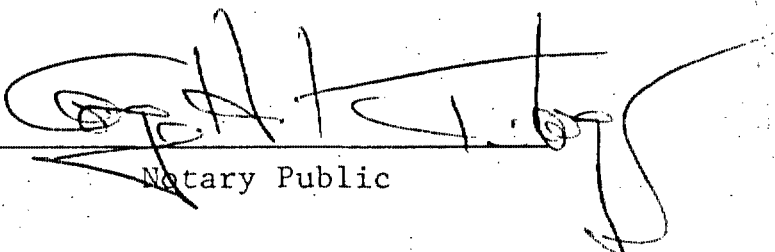
Mildred W. Haynes
Notary Public

MILDRED W. HAYNES

My Commission Expires 10-1-83

STATE OF NEW YORK)
) ss.:
COUNTY OF ALBANY)

On this 15th day of April, 1980,
before me personally came D. D. Muir,
to me known, who, being by me duly sworn, did depose and
say that he resides at 18 Wilderness Lane, Valatie,
New York 12184, New York;
that he is a Vice President of Delaware and Hudson
Railway Company described in and which executed the fore-
going instrument, that he knows the seal of said corpora-
tion; that the seal affixed to said instrument is said
corporate seal; that it was so affixed by authority of
the Board of Directors of said corporation and that he
signed his name thereto by like authority.



Notary Public

GEORGE H. KLEINBERGER
Notary Public - State of New York
Qualified in Schenectady County
Reg. No. 2144350
Commission Expires March 30, 1981



SCHEDULE A

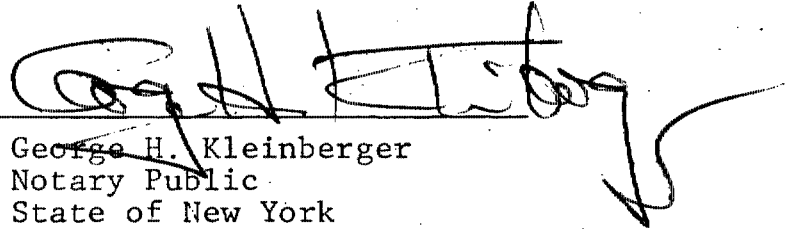
<u>Manufacturer</u>	<u>No. of Units</u>	<u>Description of Equip.</u>	<u>D and H Railway Numbers</u>	<u>Depreciated Value Per Unit *</u>	<u>Total Depreciated Value *</u>	<u>Original Cost Per Unit</u>	<u>Total Original Cost</u>
Bethlehem Steel Corporation	16	70 Ton, 2880 Cubic Foot Capacity AAR Type HT Hopper Cars	9292 Through 9307 Inclu- sive	\$8,920	\$142,720	\$10,679.29	\$170,868.64

*As of June 6, 1978.

CERTIFICATION

I, GEORGE H. KLEINBERGER, do hereby state
that I am a Notary Public of the State of New York;
that I have compared the attached copy of document
with the original thereof, and that the attached
copy of document is a true and correct copy of the
original in all respects.

Dated: May 23, 1980


George H. Kleinberger
Notary Public
State of New York

GEORGE H. KLEINBERGER
Notary Public - State of New York
Qualified in Schenectady County
Reg. No. 2144350
Commission Expires March 30, 1981